

# EXHIBIT 1



Schools and Libraries Program

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## Demand Payment Letter

Funding Year 2015: July 1, 2015 - June 30, 2016

August 17, 2016

David Palmer  
Synergetics Diversified Computer Services, Inc  
501 Highway 12 West  
Suite 100  
Starkville, MS 39759

Re: SPIN:	143004683
Service Provider Name:	Synergetics Diversified Computer Services, Inc
Form 471 Application Number:	1038199
Funding Year:	2015
FCC Registration Number:	0012028049
Applicant Name:	LEAKE COUNTY SCHOOL DISTRICT
Billed Entity Number:	128612
Applicant Contact Person:	Pamela Tucker
Payment Due By:	9/16/2016

You were recently sent a Notification of Improperly Disbursed Funds Recovery Letter informing you of the need to recover funds from you for the Funding Request Number(s) (FRNs) listed on the Funding Disbursement Recovery Report of that letter. A copy of that Report is also attached to this letter.

The balance of this debt is due within 30 days from the date of this letter. Failure to pay the debt within 30 days from the date of this letter could result in interest, late payment fees, administrative charges, and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see <https://www.fcc.gov/encyclopedia/red-light-frequently-asked-questions>.

If the Universal Service Administrative Company (USAC) has determined that both the applicant and the service provider are responsible for a Program rule violation, then, pursuant to the Order on Reconsideration and Fourth Report and Order (FCC 04-181), USAC will seek recovery of the improperly disbursed amount from BOTH parties and will continue to seek recovery until either or both parties have fully paid the debt. If the USAC has determined that both the applicant and the service provider are responsible for a Program rule violation, this was indicated in the Disbursed Funds Recovery Explanation on the Funding Disbursement Recovery Report.

If USAC is attempting to collect all or part of the debt from both the applicant and the service provider, then you should work with the applicant to determine who will be repaying the debt to avoid duplicate payment.

Please note, however, that the debt is the responsibility of both the applicant and service provider. Therefore, you are responsible for ensuring that the debt is paid in a timely manner.

Please remit payment for the full "Funds to be Recovered from Service Provider" amount shown in the Report. To ensure that your payment is properly credited, please include a copy of the Report with your check. Make your check payable to the Universal Service Administrative Company (USAC).

Use one of the appropriate addresses listed below to send payments to USAC.

**U.S. Postal Service and Standard Mail for Payments:**

USAC  
PO Box 105056  
Atlanta, GA 30348-5056

**Courier and Overnight Packages:**

USAC  
Lockbox 105056  
1075 Loop Road  
Atlanta, GA 30337  
(404) 209-6377

**ACH payments:**

USAC requests that all ACH payment be sent in CCD+ format to:  
ABA Routing #071000039, Account #5590045653

**Payment is due within 30 days from the date of this letter.**

Complete Program information is posted to the SLP section of the USAC website at [www.usac.org/sl/](http://www.usac.org/sl/). You may also contact the SLP Client Service Bureau by email using the "Submit a Question" link on the SLP website, by fax at 1-888-276-8736 or by phone at 1-888-203-8100. Contacting SLP for questions does not change the deadline for your response to this Letter.

Universal Service Administrative Company  
Schools and Libraries Program

cc: *Pamela Tucker*  
*LEAKE COUNTY SCHOOL DISTRICT*

Funding Disbursement Recovery Report  
Form 471 Application Number: 1038199

Funding Request Number: 2826991  
Services Ordered: INTERNAL CONNECTIONS  
SPIN: 143004683  
Service Provider Name: Synergetics Diversified Computer Serv  
Contract Number: n/a  
Billing Account Number:  
Site Identifier: 128612  
Funding Commitment: \$26,486.00  
Funds Disbursed to Date: \$23,069.00  
Funds to be Recovered from Service Provider: \$10,446.50

Disbursed Funds Recovery Explanation:

After a thorough investigation, it has been determined that funds were improperly disbursed for products and/or services that were not approved on the FCC Form 471. The products and/or services do not meet the requirements for an eligible service substitution. During an review it was determined that following services: Installation, Configuration/Training, Extreme Networks V2110 V9 Appliance - WS-V2110-9-NAM, Enterasys 16 AP Capacity Upgrade, Wireless Configuration Training of Controller were not approved on a FCC Form 471#1038199, FRN 2826991 for the amount invoiced for these services of \$10,446.50. FCC rules require that applicants indicate on the FCC Form 471 and Item 21 attachments the services and/or equipment for which they are seeking funding so that USAC can determine whether the services and/or equipment are eligible for funding. Since the services were invoiced via a Service Provider Invoice form, this violation was caused by an act or omission of the service provider because the service provider is responsible for ensuring that it provides and invoices USAC for only the products and/or services equipment that USAC approved. On the SPAC Form, the authorized person certifies on behalf of the service provider that the SPIs that are submitted by this service provider contain requests for Universal Service support for services which have been billed to the service providers customers on behalf of schools, libraries, and consortia of those entities, as deemed eligible for Universal Service support by the fund administrator. Accordingly, USAC will seek recovery of the \$10,446.50 of improperly disbursed funds from the service provider.

PLEASE SEND A COPY OF THIS PAGE WITH YOUR  
CHECK TO ENSURE TIMELY PROCESSING



Universal Service Administrative Company  
Schools & Libraries Division

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Administrator's Decision on Appeal – Funding Year 2015-2016

August 17, 2016

David Palmer  
Synergetics Diversified Computer Svcs  
501 Hwy 12 West, Suite 100  
PO Box 80264  
Starkville, MS 39759

Re: Applicant Name: LEAKE COUNTY SCHOOL DISTRICT  
Billed Entity Number: 128612  
Form 471 Application Number: 1038199  
Funding Request Number(s): 2826991  
Your Correspondence Dated: July 18, 2016

After review of the information and documentation provided, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's decision to recover improperly disbursed funding for the FCC Form 471 Application Number and funding request number(s) (FRN(s)) referenced above. This letter provides an explanation for USAC's decision. The date of this letter also begins the sixty (60) day time period for appealing this decision. If your Letter of Appeal included more than one FCC Form 471 Application Number, please note that you will receive a separate decision for each funding application.

Funding Request Number(s): 2826991  
Decision on Appeal: **Denied**  
Explanation:

- During the appeal review of your FCC Form 471# 1038199 you requested reversal of the COMAD decision to seek recovery of improperly disbursed funds. It was determined that funds were disbursed for installation of 65 access points and network configuration with training that were not included on your Item 21. During an review it was determined that following services: Installation, Configuration/Training, Extreme Networks V2110 V9 Appliance - WS-V2110-9-NAM, Enterasys 16 AP Capacity Upgrade, Wireless Configuration Training of Controller were not approved on a FCC Form 471#1038199, FRN 2826991 for the amount invoiced for these services of \$10,446.50. FCC rules require that applicants indicate on the FCC Form 471 and Item 21 attachments the services

and/or equipment for which they are seeking funding so that USAC can determine whether the services and/or equipment are eligible for funding. Since the services were invoiced via a Service Provider Invoice form, this violation was caused by an act or omission of the service provider because the service provider is responsible for ensuring that it provides and invoices USAC for only the products and/or services equipment that USAC approved. On the SPAC Form, the authorized person certifies on behalf of the service provider that the SPIs that are submitted by this service provider contain requests for Universal Service support for services which have been billed to the service providers customers on behalf of schools, libraries, and consortia of those entities, as deemed eligible for Universal Service support by the fund administrator. Accordingly, USAC will seek recovery of the \$10,446.50 of improperly disbursed funds from the service provider. In your appeal, you did not show that USAC's determination was incorrect. Consequently, your appeal is denied.

If you wish to appeal this decision, you may file an appeal pursuant to 47 C.F.R. Part 54, Subpart I. Detailed instructions for filing appeals are available at:  
<http://www.usac.org/sl/about/program-integrity/appeals.aspx>.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division  
Universal Service Administrative Company

David Palmer  
Synergetics Diversified Computer Svcs  
501 Hwy 12 West, Suite 100  
PO Box 80264  
Starkville, MS 39759

Billed Entity Number: 128612  
Form 471 Application Number: 1038199  
Form 486 Application Number: